

<b>Lead topic: Capital</b>	<b>Sub-topic: PPPs</b>	<b>Contact: Brendan Ellison Ext: 5664</b>
----------------------------	------------------------	---

## **Progress on various Phases of the PPP programme in 2015**

### Phase 1 (July 2012 Announced Programme)

- Construction began on Schools Bundle 4
- Construction continued on the N17/18
- Construction has begun on the M11 Gorey to Enniscorthy Motorway
- The procurement process for 3 other Phase 1 projects is on course to reach financial close before year-end. These projects are
  - the N25 New Ross Bypass,
  - the Courts Bundle and
  - the Primary Care Centres PPP.
- Construction on each of these projects is due to begin shortly afterwards.
- The procurement stage on the two remaining projects being developed under Phase 1 (Schools Bundle 5 and Grangegorman) will be finalised in 2016 with construction beginning soon after.

### Phase 2

- Social Housing – Under PPP Phase 2, €300 million will be invested in social housing which is expected to deliver 1,500 social housing units.
- Sites were announced on Budget day for the first PPP bundle, with a capital value of c€100m for procurement of some 500 units across 6 sites in South Dublin, Kildare, Wicklow, Louth and two sites in Dublin City.
- Work is also well underway on the selection of sites for bundles 2 & 3.
- D/Environment and NDFA are working on the corporate governance structures required to deliver the project across multiple Local Authority areas, and are also working on project definition and output specifications for the PPP.

### Phase 3

- Phase 3 of the PPP Programme was approved by Government in 2015 and will include new projects in the Higher Education, Health and Justice sectors.
- Preparatory work, involving the relevant Departments engaging with NDFA to plan the delivery of the projects, is now beginning on these Phase 3 projects.

## **New Investment Policy Framework for PPPs**

The recent Capital Review introduced a new investment policy framework for PPPs, intended to ensure that PPP can continue to be a procurement option for Government, but to be used in a manner that is sustainable in the long term and which the public finances can afford.

Under the framework, total Exchequer exposure to PPP related costs (unitary payment charges plus up-front direct exchequer costs) will be restricted to about 10% of the total aggregate Exchequer capital allocation available in any given year.